

BELLSOUTH

EX PARTE OR LATE FILED

Robert T. Blau, Ph.D, CFA
Vice President - Executive and
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February 28, 1997

EX PARTE OR LATE FILED

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

RECEIVED

FEB 28 1997

Re: Ex Parte in CC Docket 96-262

Federal Communications Commission
Office of Secretary

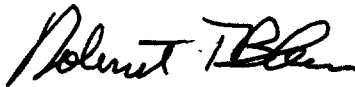
Dear Mr. Caton:

This is to inform you that on February 28, 1997, the undersigned sent a letter regarding the above-referenced proceeding to John Nakahata of the Office of General Counsel.

The purpose of the letter was to discuss issues relating to access charge reform raised during an ex parte meeting. Attached were spreadsheets with access charge reform scenarios, per a request by John Nakahata. The letter and attachments were consistent with BellSouth's position already filed in this proceeding.

Pursuant to Section 1.1206(a)(2) of the Commission's rules, two copies of this notice are being filed with the FCC. Please associate this notification with the above-referenced proceeding.

Sincerely,



Robert T. Blau

Attachment

cc: John Nakahata
Gina Keeney
Richard Metzger
Doron Fertig

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List ABCDE

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By Hand Delivery

**Federal Communications Commission
Office of Secretary**

February 28, 1997

Mr. John Nakahata
Chief, Bureau of Competition
Office of the General Counsel
Federal Communications Commission
Washington, DC 20554

Dear Mr. Nakahata:

Per your request of February 21, please find the enclosed spreadsheets that evaluate the potential impact of alternative access reform and universal service scenarios on per minute and per line access charges. Due to the availability of data, we have had to limit the analysis to price cap local exchange carriers (LECs) only.

The scenarios reflected in the spreadsheets are summarized below. We understand, of course, that individual elements of the alternative universal service and access reform proposals that are included in our analysis do not necessarily reflect the Commission's current thinking on these matters, nor do they necessarily reflect BellSouth's position.

BellSouth continues to believe that the universal service fund should be sized to recover the substantial amount of implicit toll to local subsidies that currently are embedded in today's interstate access rates, and to ensure that those subsidies are collected in a manner that is competitively neutral. In our view, Congress quite clearly did not intend for the Commission to use authority given to it under Sec. 254 of the Telecommunications Act of 1996 to dramatically reduce interstate toll subsidies.

As Chairman Hundt has stated in recent speeches, local telephone rates in this country are currently being subsidized by as much as \$20 billion annually. Since a large portion (e.g., about 50 percent) of these subsidies is currently embedded in interstate access rates, we believe the Commission has a statutory obligation to size the universal service fund at a commensurate level. We further believe that the Commission's obligation to preserve universal service can best be discharged by creating a single Federal fund, half of which would be an interstate fund, paid out of interstate revenues. The amounts from the interstate fund received by the LECs would be used to recover LEC costs that are currently assigned to the interstate jurisdiction. The other half

of the fund would be paid out of intrastate revenues and used to reduce intrastate service rates that subsidize universal service.

In addition, the current usage-based recovery of non-traffic sensitive (NTS) elements reflected in the access charge rules is inefficient. This point is beyond dispute. Recovery of NTS costs must be changed to a per line recovery mechanism. Moreover, given that state public service commissions are basing their local interconnection agreements on TELRIC pricing proxies for unbundled network elements, it is even more imperative that the LECs be allowed to shift the recovery of NTS costs from per minute to per line charges to the interexchange carriers. Failing that, competitive local exchange carriers (CLECs) will use lower priced unbundled elements to avoid access charges, particularly for large business customers that account for the lion's share of long distance calls. As these subsidies are cream-skimmed, local telephone companies will have no choice but to raise basic service rates for the principal recipients of universal service subsidies; namely residential customers in rural and other high cost areas that the CLECs have no real interest in serving.

We are hopeful our analysis will prove useful as you consider these and related issues.

The Scenarios

Jurisdiction and Size of Universal Service Fund: Two universal service scenarios are shown. The first presupposes a \$4B interstate only high cost USF while the second assumes a \$14.5B combined Federal USF (state and interstate), 50 percent of which would be paid for out of interstate revenues and used to offset interstate costs with the remaining 50 percent paid for out of intrastate revenues and used to recover intrastate costs. Both scenarios also consider the impact of a \$3B Federal fund for education and healthcare.

Payments to the \$4B USF in Scenario 1 would be based on a carrier's share of gross interstate revenues less payments to other carriers. Interstate payments to the \$14.5B combined USF and the \$3B Federal fund for education and healthcare (Scenario 2) would be based on a carrier's share of retail interstate revenues.

Revenue that individual carriers receive from the USF are based on the Benchmark II Cost model which NECA provided. Receipts from the \$4B interstate only fund and the \$14.5B combined state and interstate fund are predicated on benchmarks of \$42 and \$20, respectively.

Access Reform Transition: In Scenario 1, we assume that access reform would occur in three phases, one year each, during which the recovery of LEC non-traffic sensitive cost would shift from per minute to per line charges.

- **Phase 1:** Per minute charges of individual LECs for interstate terminating switched access are reduced by **38%** or from an average of **2.72** cents to **1.7** cents per minute. Average per minute charges for originating access remain at **2.72** cents. Residual costs (i.e., LECs' interstate costs not recovered through per minute charges or net payments from universal service fund) are recovered from IXC's on a per line basis with rates: a) capped at **\$.60** per

line per month for single line residential customers with balance of individual companies' costs recovered from multi-line customers on a per line basis, or b) not subject to a cap.

- Per the Joint Board recommendation, single line subscriber line charges reduced by 50% of the adjustment for pay phone and long term support (LTS), or by an average of **\$.28** per line/month.
- \$6.00 cap on multi-line business customers SLC removed along with \$3.50 cap on residential lines other than primary line, increasing the per line SLC from multi-line customers to an average of **\$6.22/month**.
- **Phase 2:** Individual LECs' per minute interstate terminating switched access rates are reduced by an additional **41%** or from an average of **1.7** cents to **1** cent per minute. Average rates on originating access are assumed to fall to **1.7** cents. Cap on recovery of residual costs from IXC's presubscribed residential lines a) increased to **\$1.20** with balance of individual companies' costs recovered from multi-line customers, or b) not subject to a cap.
- **Phase 3:** Cap on individual LECs' per minute interstate terminating switched access rates remain at Phase 2 levels, or an average of 1 cent per minute. Average rates on originating access reduced to **1.0** cents. Cap on recovery of residual costs from IXC's presubscribed residential lines removed, allowing LECs to collect residual costs from IXC's on the basis of a common rate for all presubscribed lines (e.g., \$3.00/line.) Going forward, rates for terminating access would remain at 1 cent per minute with LECs given the flexibility to adjust overall interstate revenues that result from changes in the price cap index through changes in per minute originating access rates or per line cost recovery.

Access Reform Flash Cut: In second Universal Service scenario (i.e., the \$14.5B Universal Service Fund with 50% allocated to the interstate jurisdiction) average interstate terminating and originating switched access rates would be reduced immediately to **1.0** cent per minute. There would be no cap on the recovery of residual costs from IXC's presubscribed residential lines, allowing LECs to collect residual costs from IXC's on the basis of a common rate for all presubscribed lines (e.g., \$1.30/line.) Going forward, rates for terminating access would remain at 1 cent per minute and LECs would be given the flexibility to adjust overall interstate revenues that result from changes in the price cap index through changes in per minute originating access rates or per line cost recovery charges.

The analyses of both scenarios are based on 1995 data for the price cap LECs. Revenue and demand data were taken from the individual carrier's 1996 annual access tariff filings. No effort was made to adjust the data to reflect changes in the volume of lines or minutes that might result from general growth in the marketplace or from demand stimulation or repression that might result from shifting the recovery of NTS costs from a per minute to a per line basis. Nor was any attempt made to forecast and incorporate changes in price cap indices that might occur over time due to changes in inflation, or from downward adjustments in the LECs' productivity factor that

should result from the loss of market share in an increasingly competitive market environment, or from recovering NTS costs on a per line rather than a per minute basis.


Results

In addition to highlighting the merits of sizing the universal service fund at a reasonable level, our analysis underscores three other points that we would urge you to consider. The first relates to the fact that per line recovery of NTS costs from multi-line customers will be substantially higher, and in the case of many smaller companies dramatically higher, if the Commission imposes a unnecessary and unreasonably small cap on the amount of NTS costs that the LECs can recover from the IXCs on the basis of per line charges for single-line customers. We would urge the Commission, therefore, to avoid imposing such a constraint particularly in view of the fact that the charges at issue here are to the IXCs and, thus, would not necessarily be flowed through to single-line customers in their entirety on a per line basis.

The second point concerns the length of the access reform transition plan should the Commission go this route. From our standpoint, shorter is better especially if the Commission limits either the amount of costs that the carriers are allowed to recover from the universal service fund, or initial reductions in per minute charges for originating or terminating switched access services. In either case, a larger share of LEC revenues would have to be recovered through per minute charges which, in turn, will give rise to more arbitrage between higher priced access charges and lower priced local interconnection rates. Further, if a transition is used, reductions in NTS usage charges due to phasing in per line recovery should first be applied to originating access.

Finally, the analysis shows that even if the LECs' share of the cost of a \$3B education and healthcare fund were spread equally over all local telephone companies, the monthly charge of \$1 per line is still significant and may, arguably, limit the amount of NTS costs that the LECs would be allowed to recover from single-line customers on a per line basis during the initial phases of the Commission's access reform transition plan. Accordingly, we continue to believe that the cost of the education and healthcare fund should be recovered through an end user surcharge on all retail telecommunications service revenues. Such a surcharge, afterall, is explicit, competitively neutral, and would let consumers know what they are paying for.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert T. Blau". The signature is fluid and cursive, with the first name "Robert" and last name "Blau" clearly distinguishable.

Robert T. Blau

cc: Gina Keeney
Richard Metzger
Doron Fertig

1	Access Reform Scenarios								
2	\$14.5B Combined USF without Cap on Single Line NTS cost recovery								
3	50% of High Cost USF Used to Recover Interstate NTS Costs								
4	Revenue	Ameritech	Bell Atlantic	BellSouth	NYNEX	PacTel	SBC	US West	BOCs
5	LS	\$394,276,915	\$426,465,960	\$467,482,365	\$711,986,957	\$302,253,085	\$275,685,659	\$396,392,634	\$2,974,543,575
6	CCL	\$189,209,916	\$339,530,481	\$686,414,764	\$363,494,100	\$180,429,563	\$262,976,975	\$270,471,147	\$2,292,526,946
7	TIC	\$321,494,047	\$362,551,430	\$272,434,772	\$616,065,902	\$128,906,735	\$227,907,987	\$465,394,203	\$2,394,755,076
8	IS	\$7,337,827	\$27,660,188	\$19,910,725	\$0	\$3,732,614	\$17,677,315	\$14,285,032	\$90,603,701
9	Sw Trans	\$116,481,117	\$124,977,992	\$169,790,758	\$118,372,022	\$93,058,057	\$84,352,189	\$125,821,569	\$832,853,704
10	1995 Revenue Total	\$1,028,799,822	\$1,281,186,051	\$1,616,033,384	\$1,809,918,981	\$708,380,054	\$868,600,125	\$1,272,364,585	\$8,585,283,002
11									
12	Telephone Line Months								
13	Multi-line Months	63,542,571	73,564,140	62,385,728	53,776,443	62,675,520	45,065,028	44,061,444	405,070,874
14	Single Line Months	150,844,163	155,721,396	177,698,057	129,013,031	94,601,191	113,583,984	123,352,428	944,854,250
15	Life Line Months	1,757,527	306,684	2,641,621	10,947,399	27,137,359	1,961,208	2,816,460	47,568,258
16	SLCs Total	216,184,261	229,592,220	242,725,406	193,736,873	184,414,070	160,610,220	170,230,332	1,397,493,382
17	% of Residents w/ multiple lines	0.1313	0.1575	0.0995	0.1549	0.2049	0.1587	0.1157	
18	Residential SLCs	142,032,952	149,880,455	171,032,795	122,043,666	91,052,803	109,905,295	118,725,612	904,673,578
19	Base Factor Portion (BFP) - Cost per Line/Month	\$ 4.81	\$ 5.30	\$ 7.36	\$ 6.13	\$ 4.74	\$ 6.04	\$ 6.55	
20	- Additional Revenue from MultiLine Residence	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	- Additional Revenues from Multiline Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22									
23	Minutes of Use (MOUs)	44,753,536,880	61,581,083,846	61,878,991,467	51,489,150,878	32,743,054,972	35,576,035,521	48,397,990,585	336,419,844,149
24	Originating Minutes	17,312,633,115	32,765,947,336	25,157,892,403	22,374,127,511	12,071,111,503	13,739,125,302	16,643,408,953	140,064,246,123
25	Terminating Minutes	27,440,903,765	28,815,136,510	36,721,099,064	29,115,023,367	20,671,943,469	21,836,910,219	31,754,581,632	196,355,598,026
26	Price per MOU	\$0.0230	\$0.0208	\$0.0261	\$0.0352	\$0.0216	\$0.0244	\$0.0263	\$0.0255
27	New Price for Terminating @ \$.01 per MOU Average	\$0.0084	\$0.0076	\$0.0095	\$0.0128	\$0.0079	\$0.0089	\$0.0096	\$0.0093
28	New Price for Originating @ \$.01 per MOU Average	\$0.0084	\$0.0076	\$0.0095	\$0.0128	\$0.0079	\$0.0089	\$0.0096	\$0.0093
29	New Switched Access Revenues	\$375,301,237	\$467,370,522	\$589,521,222	\$660,249,757	\$258,413,643	\$316,861,156	\$464,152,493	\$3,131,870,030
30									
31	Per Line Non-Traffic Sensitive (NTS) Costs								
32	CCL	\$0.7820	\$1.0239	\$2.5716	\$1.3792	\$0.5601	\$1.1341	\$1.2362	\$1.2835
33	TIC	\$1.4888	\$1.5791	\$1.1241	\$3.1821	\$0.6867	\$1.4210	\$2.7390	\$1.7160
34	30% of LS	\$0.5471	\$0.5572	\$0.5778	\$1.1025	\$0.4917	\$0.5149	\$0.6986	\$0.6385
35	Total NTS Costs Per Line	\$2.8179	\$3.1602	\$4.2735	\$5.6638	\$1.7385	\$3.0700	\$4.6738	\$3.6380
36									
37	Adjustments to NTS Costs								
38	CCL								
39	Payphone	\$0	\$46,300,000	\$0	\$46,000,000	\$28,280,486	\$39,083,549	\$18,159,867	\$177,823,902
40	LTS	\$55,712,267	\$58,160,967	\$62,211,411	\$50,297,994	\$47,574,101	\$41,744,613	\$43,649,375	\$359,350,728
41	CCL/payphone/LTS Total	\$55,712,267	\$104,460,967	\$62,211,411	\$96,297,994	\$75,854,587	\$80,828,162	\$61,809,242	\$537,174,630
42	- 50% of Pay/LTS to CCL and SLC	\$27,856,134	\$52,230,484	\$31,105,706	\$48,148,997	\$37,927,294	\$40,414,081	\$30,904,621	\$268,587,315
43	- Single Line SLC Reduction	\$0.18	\$0.34	\$0.18	\$0.37	\$0.40	\$0.36	\$0.25	\$0.28
44									
45	Adjusted Revenue Total	\$1,000,943,689	\$1,228,955,568	\$1,584,927,679	\$1,761,769,984	\$670,452,761	\$828,186,044	\$1,241,459,964	\$8,316,695,687
46									
47	USF High Cost & DEM (Current)	\$0	\$2,752,002	\$46,705,763	\$ 6,744,512	\$0	\$2,321,618	\$3,973,430	\$62,497,325
48									
49	50% of \$14.5B USF Recovered from Carriers Based on Retail Interstate Rev.	\$109,551,980	\$134,944,823	\$123,336,666	\$105,924,431	\$81,257,098	\$84,884,647	\$97,218,313	\$737,117,957
50	50% of USF High Cost Receipts used to Recover Interstate NTS Costs	\$592,887,500	\$528,471,500	\$985,465,500	\$501,805,000	\$322,103,500	\$538,929,000	\$589,168,000	\$4,058,830,000
51	- Net Receipts from USF High Cost avail for Interstate NTS Recovery	\$483,335,520	\$393,526,677	\$862,128,834	\$395,880,569	\$240,846,402	\$454,044,353	\$491,949,687	\$3,321,712,043
52	USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$186,414,205	\$207,329,744	\$236,942,216	\$206,243,642	\$134,125,000	\$151,039,489	\$157,061,915	\$1,299,156,211
53									
54	Switched Access Revenue @ \$.01 per MOU Industry Avg.	\$375,301,237	\$467,370,522	\$589,521,222	\$660,249,757	\$258,413,643	\$316,861,156	\$464,152,493	\$3,131,870,030
55									
56	CCL Reduction from SLC/DEM/High Cost	\$ -	\$ (2,752,002)	\$ (46,705,763)	\$ (6,744,512)	\$ -	\$ (2,321,618)	\$ (3,973,430)	\$ (62,497,325)
57									
58	Residual NTS exclud. Ed & Health Care	\$142,306,931	\$370,810,371	\$179,983,386	\$712,384,170	\$171,192,715	\$59,602,152	\$289,331,214	\$1,925,610,939
59	Per Line Recovery with no Cap	\$0.66	\$1.62	\$0.75	\$3.90	\$1.09	\$0.38	\$1.73	\$1.43
60	Adjusted Switched Access Revenue	\$375,301,237	\$467,370,522	\$589,521,222	\$660,249,757	\$258,413,643	\$316,861,156	\$464,152,493	\$3,131,870,030
61	Surcharge for Ed & Health Care (% of Sales)	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
62									
63	Gross Revenue less Payments to Carriers	\$10,936,300,000	\$12,163,345,000	\$13,900,610,000	\$12,099,627,000	\$9,042,000,000	\$8,860,983,369	\$9,214,299,035	\$76,217,164,404
64	USF Allocator (Gross Rev/\$176B)	6.21%	6.91%	7.90%	6.87%	5.14%	5.03%	5.24%	43.31%
65	USF Interstate Allocator (Retail Revenues)	1.510%	1.860%	1.700%	1.460%	1.120%	1.170%	1.340%	13.49%

1	Access Reform Scenarios							
2	\$14.5B Combined USF without Cap on Single Line NTS cost recovery							
3	50% of High Cost USF Used to Recover Interstate NTS Costs	Citizens	GTE	Rochester	SNET	Sprint/United	Independent Total	Total
4	Revenue							
5	LS	\$33,925,468	\$336,012,341	\$39,572,177	\$92,293,550	\$197,489,775	\$899,293,311	\$3,873,836,886
6	CCL	\$48,449,247	\$704,465,430	\$18,688,458	\$41,560,124	\$234,322,444	\$1,047,485,703	\$3,340,012,649
7	TIC	\$24,474,603	\$183,124,176	\$7,145,464	\$40,231,783	\$88,835,637	\$343,811,663	\$2,738,566,739
8	IS	\$1,427,957	\$21,816,296	\$515,615	\$3,648,130	\$1,826,510	\$29,234,508	\$119,838,209
9	Sw Trans	\$9,362,121	\$101,489,588	\$6,398,148	\$19,736,076	\$49,417,917	\$186,403,850	\$1,019,257,554
10	1995 Revenue Total	\$117,639,396	\$1,546,907,831	\$72,319,862	\$197,469,663	\$571,892,283	\$2,506,229,035	\$11,091,512,037
11								
12	Telephone Line Months							
13	Multi-line Months	1,441,301	41,183,652	2,023,254	5,683,561	14,527,608	64,859,376	469,930,250
14	Single Line Months	8,029,739	146,626,104	7,914,602	16,784,705	62,558,220	241,913,370	1,186,767,620
15	Life Line Months	0	6,477,420	263,978	740,087	588,708	8,070,193	55,638,451
16	SLCs Total	9,471,040	194,287,176	10,201,834	23,208,353	77,674,536	314,842,939	1,712,336,321
17	% of Residents w/ multiple lines	0.0949	0.1093	0.0949	0.1844	0.1094	0.2968	0.1844
18	Residential SLCs	7,628,252	140,036,806	6,162,388	16,155,129	58,361,328	\$228,343,903	1,133,017,481
19	- Base Factor Portion (BFP) - Cost per Line/Month	\$ 6.09	\$ 7.39	\$ 4.77	\$ 5.99	\$ 6.22	\$ 6.22	\$ 6.22
20	- Additional Revenue from MultiLine Residence	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	- Additional Revenues from Multiline Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22								
23	Minutes of Use (MOUs)	2,113,072,617	41,686,756,188	2,163,954,744	7,296,297,240	18,245,172,774	71,505,253,563	407,925,097,712
24	Originating Minutes	1,115,872,822	16,717,227,735	785,799,516	2,948,278,469	7,473,824,285	29,041,002,827	169,105,248,950
25	Terminating Minutes	997,199,795	24,969,528,453	1,378,155,228	4,348,018,771	10,771,348,489	42,464,250,736	238,819,848,762
26	Price per MOU	\$0.0557	\$0.0371	\$0.0334	\$0.0271	\$0.0313	\$0.0350	\$0.0272
27	New Price for Terminating @ \$0.01 per MOU Average	\$0.0203	\$0.0135	\$0.0122	\$0.0099	\$0.0114	\$0.0128	\$0.0099
28	New Price for Originating @ \$0.01 per MOU Average	\$0.0203	\$0.0135	\$0.0122	\$0.0099	\$0.0114	\$0.0128	\$0.0099
29	New Switched Access Revenues	\$42,914,287	\$564,304,552	\$26,381,939	\$72,035,985	\$208,623,560	\$914,260,322	\$4,046,130,352
30								
31	Per Line Non-Traffic Sensitive (NTS) Costs							
32	CCL	\$4,8602	\$3,4081	\$1,5707	\$1,7907	\$2,4524	\$3,0742	\$1,5794
33	TIC	\$2,5842	\$0,9425	\$0,7004	\$1,7352	\$1,1437	\$1,0920	\$1,6012
34	30% of LS	\$1,0746	\$0,8277	\$1,1637	\$1,1930	\$0,7628	\$0,8569	\$0,6787
35	Total NTS Costs Per Line	\$8,5190	\$5,1783	\$3,4348	\$4,7190	\$4,3589	\$5,0231	\$3,8593
36								
37	Adjustments to NTS Costs							
38	CCL							
39	Payphone	\$0	\$0	\$0	\$0	\$0	\$0	\$177,823,902
40	LTS	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$438,956,236
41	CCL/payphone/LTS Total	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$616,780,138
42	- 50% of Pay/LTS to CCL and SLC	\$1,204,093	\$24,559,102	\$1,326,570	\$2,863,647	\$9,849,344	\$39,802,754	\$308,390,069
43	- Single Line SLC Reduction	\$0.15	\$0.17	\$0.17	\$0.17	\$0.16	\$0.16	\$0.26
44								
45	Adjusted Revenue Total	\$116,435,304	\$1,522,348,730	\$70,993,293	\$194,606,016	\$562,042,940	\$2,466,426,281	\$10,783,121,968
46								
47	USF High Cost & DEM (Current)	\$54,526,995	\$128,105,452	\$4,520,081	\$0	\$50,977,617	\$238,130,145	\$300,627,470
48								
49	50% of \$14.5B USF Recovered from Carriers Based on Retail Interstate Rev.	\$2,902,039	\$123,336,666	\$3,627,549	\$13,784,686	\$37,726,510	\$181,377,450	\$918,495,407
50	50% of USF High Cost Receipts used to Recover Interstate NTS Costs	\$90,117,500	\$1,079,874,500	\$59,468,000	\$81,231,500	\$474,446,500	\$1,785,138,000	\$5,843,968,000
51	- Net Receipts from USF High Cost avail for Interstate NTS Recovery	\$87,215,461	\$956,537,834	\$55,840,451	\$67,446,814	\$436,719,990	\$1,603,760,550	\$4,925,472,593
52	USF Ed & Health Care Cost (\$3B USF Allocator, Gross Rev)	\$9,923,531	\$218,986,551	\$10,597,585	\$22,629,545	\$79,118,761	\$341,253,974	\$1,640,412,185
53								
54	Switched Access Revenue @ \$0.01 per MOU Industry Avg.	\$42,914,287	\$564,304,552	\$26,381,939	\$72,035,985	\$208,623,560	\$914,260,322	\$4,046,130,352
55								
56	CCL Reduction from SLC/DEM/High Cost	\$ (54,526,995)	\$ (128,105,452)	\$ (4,520,081)	\$ -	\$ (50,977,617)	\$ (238,130,145)	\$ (300,627,470)
57								
58	Residual NTS exclud. Ed & Health Care	\$40,832,551	\$129,611,796	(\$6,709,016)	\$55,123,217	(\$32,322,994)	\$225,567,564	\$2,151,178,503
59	Per Line Recovery with no Cap	\$4.31	\$0.69	\$0.00	\$2.45	\$0.00	\$0.74	\$1.30
60	Adjusted Switched Access Revenue	\$42,914,287	\$564,304,552	\$19,672,923	\$72,035,985	\$176,300,566	\$875,228,312	\$4,007,098,342
61	Surcharge for Ed & Health Care (% of Sales)	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
62								
63	Gross Revenue less Payments to Carriers	\$582,180,456	\$12,847,211,000	\$621,725,000	\$1,327,600,000	\$4,641,634,000	\$20,020,350,456	\$96,237,514,860
64	USF Allocator (Gross Rev/\$176B)	0.33%	7.30%	0.35%	0.75%	2.64%	11.38%	54.68%
65	USF Interstate Allocator (Retail Revenues)	0.040%	1.700%	0.050%	0.190%	0.520%	3.130%	

1	Access Reform Scenarios -- Phase 1								
2	\$4B Interstate USF with & without \$.60 Cap on SL NTS cost recover	Ameritech	Bell Atlantic	BellSouth	NYNEX	Pactel	SBC	US West	BOCs
3	Revenue								
4	LS	\$394,276,915	\$426,465,960	\$467,482,365	\$711,986,957	\$302,253,085	\$275,685,659	\$396,392,634	\$2,974,543,575
5	CCL	\$189,209,916	\$339,530,481	\$686,414,764	\$363,494,100	\$180,429,563	\$262,976,975	\$270,471,147	\$2,292,526,946
6	TIC	\$321,494,047	\$362,551,430	\$272,434,772	\$616,065,902	\$128,906,735	\$227,907,987	\$465,394,203	\$2,394,755,076
7	IS	\$7,337,827	\$27,660,188	\$19,910,725	\$0	\$3,732,614	\$17,677,315	\$14,285,032	\$90,603,701
8	Sw Trans	\$116,481,117	\$124,977,992	\$169,790,758	\$118,372,022	\$93,058,057	\$84,352,189	\$125,821,569	\$832,853,704
9	Revenue Total	\$1,028,799,822	\$1,281,186,051	\$1,616,033,384	\$1,809,918,981	\$708,380,054	\$868,600,125	\$1,272,364,585	\$8,585,283,002
10									
11	Telephone Line Months								
12	Multi-line Months	63,542,571	73,564,140	62,385,728	53,776,443	62,675,520	45,065,028	44,061,444	405,070,874
13	Single Line Months	150,884,163	155,721,396	177,698,057	129,013,031	94,601,191	113,583,984	123,352,428	944,854,250
14	Life Line Months	1,757,527	306,684	2,641,621	10,947,399	27,137,359	1,961,208	2,816,460	47,568,258
15	SLCs Total	216,184,261	229,592,220	242,725,406	193,736,873	184,414,070	160,610,230	170,130,332	1,397,493,382
16	- % of Residents w/ multiple lines	0.1313	0.1575	0.095	0.1549	0.2049	0.1587	0.1157	
17	Residential SLCs	142,032,952	149,880,455	171,032,795	122,043,666	91,052,803	109,905,295	118,725,612	904,673,578
18	- Base Factor Portion (BFP) - Cost per Line/Month	\$ 4.81	\$ 5.30	\$ 7.36	\$ 6.13	\$ 4.74	\$ 6.04	\$ 6.55	
19	- Additional Revenue from MultiLine Residence	\$ 24,430,094	\$ 42,491,109	\$ 62,717,726	\$ 49,719,003	\$ 23,134,332	\$ 44,302,605	\$ 41,896,488	\$28,691,356
20	- Additional Revenue from Multiline Business	\$ -	\$ -	\$ 84,844,590	\$ 6,990,938	\$ -	\$ 1,802,601	\$ 24,233,794	\$ 117,871,923
21									
22	Minutes of Use (MOUs)	44,753,536,880	61,581,083,846	61,878,991,467	51,489,150,878	32,743,054,972	35,576,035,521	48,397,990,585	336,419,844,149
23	Originating Minutes	17,312,633,115	32,765,947,336	25,157,892,403	22,374,127,511	12,071,111,503	13,739,125,302	16,643,408,953	140,064,246,123
24	Terminating Minutes	27,440,903,765	28,815,136,510	36,721,099,064	29,115,023,367	20,671,943,469	21,836,910,219	31,754,581,632	196,355,598,026
25	Price per MOU	\$0.0230	\$0.0208	\$0.0261	\$0.0352	\$0.0216	\$0.0244	\$0.0263	\$0.0255
26	New Price for Terminating @ \$.017 per MOU Average	\$0.0145	\$0.0131	\$0.0165	\$0.0221	\$0.0136	\$0.0154	\$0.0166	\$0.0161
27	New Price Per Originating MOUs	\$0.0230	\$0.0208	\$0.0261	\$0.0352	\$0.0216	\$0.0244	\$0.0263	\$0.0255
28	New Switched Access Revenues	\$795,398,317	\$1,059,372,906	\$1,261,199,981	\$1,431,247,785	\$542,905,904	\$671,332,757	\$963,482,755	\$6,731,247,603
29									
30	Per Line Non-Traffic Sensitive (NTS) Costs								
31	CCL	\$0.7820	\$1.0239	\$2.5716	\$1.3792	\$0.5601	\$1.1341	\$1.2362	\$1.2835
32	TIC	\$1.4888	\$1.5791	\$1.1241	\$3.1821	\$0.6867	\$1.4210	\$2.7390	\$1.7160
33	30% of LS	\$0.5471	\$0.5572	\$0.5778	\$1.1025	\$0.4917	\$0.5149	\$0.6986	\$0.6385
34	Total NTS Costs Per Line	\$2.8179	\$3.1602	\$4.2735	\$5.6638	\$1.7385	\$3.0700	\$4.6738	\$3.6380
35									
36	Adjustments to NTS Costs								
37	CCL								
38	Payphone	\$0	\$46,300,000	\$0	\$46,000,000	\$28,280,486	\$39,083,549	\$18,159,867	\$177,823,902
39	LTS	\$55,712,267	\$58,160,967	\$62,211,411	\$50,297,994	\$47,574,101	\$41,744,613	\$43,649,375	\$359,350,728
40	CCL/Payphone/LTS Total	\$55,712,267	\$104,460,967	\$62,211,411	\$96,297,994	\$75,854,587	\$80,828,162	\$61,809,242	\$537,174,630
41	- 50% of Pay/LTS to CCL and SLC	\$27,856,134	\$52,230,484	\$31,105,706	\$48,148,997	\$37,927,294	\$40,414,081	\$30,904,621	\$268,587,315
42	- Single Line SLC Reduction	\$0.18	\$0.34	\$0.18	\$0.37	\$0.40	\$0.36	\$0.25	\$0.28
43									
44	Adjusted Revenue Total	\$1,000,943,689	\$1,228,955,568	\$1,584,927,679	\$1,761,769,984	\$670,452,761	\$828,186,044	\$1,241,459,964	\$8,316,695,687
45									
46	USF High Cost & DEM (Current)	\$0	\$2,752,002	\$46,705,763	\$ 6,744,512	\$0	\$2,321,618	\$3,973,430	\$62,497,325
47									
48	USF High Cost Payments (\$4BxUSF Allocator)	\$150,000,000	\$189,600,000	\$210,400,000	\$204,800,000	\$109,600,000	\$128,000,000	\$153,200,000	\$1,149,200,000
49	USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$122,447,000	\$180,067,000	\$387,988,000	\$229,528,000	\$85,600,000	\$213,555,000	\$286,527,000	\$1,505,772,000
50	- Net cost of USF High Cost	\$27,553,000	\$9,533,000	(\$177,588,000)	(\$24,728,000)	\$24,000,000	(\$85,555,000)	(\$133,327,000)	(\$360,112,000)
51	USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$186,414,205	\$207,329,744	\$236,942,216	\$206,243,642	\$154,125,000	\$151,039,489	\$157,061,915	\$1,299,156,211
52	- Net cost of USF	\$213,967,205	\$216,862,744	\$59,354,216	\$181,515,642	\$178,125,000	\$65,484,489	\$23,734,915	\$939,044,211
53									
54	Switched Access Revenue	\$795,398,317	\$1,059,372,906	\$1,261,199,981	\$1,431,247,785	\$542,905,904	\$671,332,757	\$963,482,755	\$6,731,247,603
55									
56	CCL Reduction from SLC/DEM/High Cost	\$ 24,430,094	\$ 39,739,107	\$ 100,856,553	\$ 49,965,429	\$ 23,134,332	\$ 43,783,588	\$ 62,156,852	\$344,065,954
57									
58	Residual NTS excl. Ed & Health Care	\$208,668,278	\$139,376,554	\$45,283,145	\$255,828,771	\$128,412,525	\$27,514,699	\$82,493,357	\$887,577,328
59	NTS Recovery from SL w/\$0.60 Cap	\$90,530,498	\$93,432,838	\$33,151,564	\$77,407,819	\$56,760,715	\$19,309,277	\$74,011,457	\$444,604,166
60	NTS Cost Recovery from ML Customers	\$118,137,780	\$45,943,716	\$12,131,581	\$178,420,952	\$71,651,810	\$8,205,422	\$8,481,900	\$442,973,162
61	Per Line Recovery from ML Customers	\$1.86	\$0.62	\$0.19	\$3.32	\$1.14	\$0.18	\$0.19	\$1.09
62	Per Line Recovery with no Cap	\$0.97	\$0.61	\$0.19	\$1.40	\$0.82	\$0.17	\$0.49	\$0.66
63	Adjusted Switched Access Revenue	\$795,398,317	\$1,059,372,906	\$1,261,199,981	\$1,431,247,785	\$542,905,904	\$671,332,757	\$963,482,755	\$6,724,940,405
64									
65	Cost Per ML Line for Ed & Health Care	\$2.93	\$2.82	\$3.80	\$3.84	\$2.46	\$3.35	\$3.56	\$3.21
66	Total Recovery Per ML Line	\$4.79	\$3.44	\$3.99	\$7.15	\$3.60	\$3.53	\$3.76	\$4.30
67	Total Recovery Per Line with no Cap	\$0.87	\$0.90	\$0.99	\$1.13	\$0.98	\$0.95	\$0.94	\$0.96
68									
69	Total Recovery Per Line with No Cap incl. Ed. & Health Care	\$1.84	\$1.51	\$1.18	\$2.53	\$1.80	\$1.13	\$1.43	\$1.62
70									
71	Gross Revenue less Payments to Carriers	\$10,936,300,000	\$12,163,345,000	\$13,900,610,000	\$12,099,627,000	\$9,042,000,000	\$8,860,983,369	\$9,214,299,035	\$76,217,164,404
72	USF Allocator (Gross Rev./\$176B)	6.21%	6.91%	7.90%	6.87%	5.14%	5.03%	5.24%	43.31%
73	USF Interstate Allocator (Gross Rev. less Payment)	3.750%	4.740%	5.260%	5.120%	2.740%	3.200%	3.830%	28.73%
74	USF Interstate Allocator (Retail Revenues)	1.510%	1.860%	1.700%	1.460%	1.120%	1.170%	1.340%	13.49%

1	Access Reform Scenarios -- Phase 1						
2	\$4B Interstate USF with & without \$.60 Cap on SL NTS cost recover	Citizens	GTE	Rochester	SNET	Sprint/United	Independent Total
3	Revenue						Total
4	LS	\$33,925,468	\$336,012,341	\$39,572,177	\$92,293,550	\$197,489,775	\$899,293,311
5	CCL	\$48,449,247	\$704,465,430	\$18,688,458	\$41,560,124	\$234,322,444	\$1,047,485,703
6	TIC	\$24,474,603	\$183,124,176	\$7,145,464	\$40,231,783	\$88,835,637	\$343,811,663
7	IS	\$1,427,957	\$21,816,296	\$515,615	\$3,648,130	\$1,826,510	\$29,234,508
8	Sw Trans	\$9,362,121	\$101,489,588	\$6,398,148	\$19,736,076	\$49,417,917	\$186,403,850
9	Revenue Total	\$117,639,396	\$1,546,907,831	\$72,319,862	\$197,469,663	\$571,892,283	\$2,506,229,035
10							
11	Telephone Line Months						
12	Multi-line Months	1,441,301	41,183,652	2,023,254	5,683,561	14,527,608	64,859,376
13	Single Line Months	8,029,739	146,626,104	7,914,602	16,784,705	62,558,220	241,913,370
14	Life Line Months	0	6,477,420	263,978	740,087	588,708	8,070,193
15	SLCs Total	9,471,040	194,287,176	10,201,834	23,208,353	77,674,536	314,842,939
16	- % of Residents w/ multiple lines	0.0949	0.1093	0.0949	0.1844	0.1094	0.2283
17	Residential SLCs	7,628,252	140,036,806	6,162,388	16,155,129	58,361,328	\$228,343,903
18	- Base Factor Portion (BFP) - Cost per Line/Month	\$ 6.09	\$ 7.39	\$ 4.77	\$ 5.99	\$ 6.22	\$ 6.22
19	- Additional Revenue from MultiLine Residence	\$ 1,874,956	\$ 59,540,429	\$ 742,709	\$ 7,417,724	\$ 17,366,464	\$ 86,942,282
20	- Additional Revenues from Multiline Business	\$ 129,717	\$ 57,245,276	\$ -	\$ -	\$ 3,196,074	\$ 60,571,067
21							
22	Minutes of Use (MOUs)	2,113,072,617	41,686,756,188	2,163,954,744	7,296,297,240	18,245,172,774	71,505,253,563
23	Originating Minutes	1,115,872,822	16,717,227,735	785,799,516	2,948,278,469	7,473,824,285	29,041,002,827
24	Terminating Minutes	997,199,795	24,969,528,453	1,378,155,228	4,348,018,771	10,771,348,489	42,464,250,736
25	Price per MOU	\$0.0557	\$0.0371	\$0.0334	\$0.0271	\$0.0313	\$0.0350
26	New Price for Terminating @ \$.017 per MOU Average	\$0.0351	\$0.0234	\$0.0211	\$0.0171	\$0.0197	\$0.0221
27	New Price Per Originating MOUs	\$0.0557	\$0.0371	\$0.0334	\$0.0271	\$0.0313	\$0.0350
28	New Switched Access Revenues	\$97,098,364	\$1,204,078,161	\$55,278,305	\$153,929,405	\$446,970,534	\$1,955,538,014
29							
30	Per Line Non-Traffic Sensitive (NTS) Costs						
31	CCL	\$4.8602	\$3.4081	\$1.5707	(\$0.0200)	\$2.4524	\$3.0742
32	TIC	\$2.5842	\$0.9425	\$0.7004	\$1.7352	\$1.1437	\$1.0920
33	30% of LS	\$1.0746	\$0.8277	\$1.1637	\$1.1930	\$0.7628	\$0.8569
34	Total NTS Costs Per Line	\$8.5190	\$5.1783	\$3.4348	\$2.9082	\$4.3589	\$5.0231
35							
36	Adjustments to NTS Costs						
37	CCL						
38	Payphone	\$0	\$0	\$0	\$0	\$0	\$0
39	LTS	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508
40	CCL/payphone/LTS Total	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508
41	- 50% of Pay/LTS to CCL and SLC	\$1,204,093	\$24,559,102	\$1,326,570	\$2,863,647	\$9,849,344	\$39,802,754
42	- Single Line SLC Reduction	\$0.15	\$0.17	\$0.17	\$0.17	\$0.16	\$0.16
43							
44	Adjusted Revenue Total	\$116,435,304	\$1,522,348,730	\$70,993,293	\$194,606,016	\$562,042,940	\$2,466,426,281
45							
46	USF High Cost & DEM (Current)	\$54,526,995	\$128,105,452	\$4,520,081	\$0	\$50,977,617	\$238,130,145
47							
48	USF High Cost Payments (\$4BxUSF Allocator)	\$3,200,000	\$167,200,000	\$4,000,000	\$23,600,000	\$59,600,000	\$420,000,000
49	USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$87,246,000	\$693,572,000	\$39,470,000	\$27,048,000	\$294,832,000	\$1,142,168,000
50	- Net cost of USF High Cost	(\$84,046,000)	(\$526,372,000)	(\$35,470,000)	(\$3,448,000)	(\$235,232,000)	(\$884,568,000)
51	USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$9,923,531	\$218,986,551	\$10,597,585	\$22,629,545	\$79,118,761	\$341,255,974
52	- Net cost of USF	(\$74,122,470)	(\$307,385,449)	(\$24,872,415)	\$19,181,545	(\$156,113,239)	(\$543,312,026)
53							
54	Switched Access Revenue	\$97,098,364	\$1,204,078,161	\$55,278,305	\$153,929,405	\$446,970,534	\$1,955,538,014
55							
56	CCL Reduction from SLC/DEM/High Cost	\$ (52,522,322)	\$ (11,319,747)	\$ (3,777,372)	\$ 7,417,724	\$ (30,415,080)	\$ (90,616,796)
57							
58	Residual NTS excl. Ed & Health Care	(\$12,186,738)	(\$196,781,685)	(\$15,977,641)	\$29,810,887	(\$89,744,515)	\$29,810,887
59	NTS Recovery from SL w/\$0.60 Cap	\$0	\$0	\$0	\$10,070,823	\$0	\$10,070,823
60	NTS Cost Recovery from ML Customers	\$0	\$0	\$0	\$19,740,064	\$0	\$19,740,064
61	Per Line Recovery from ML Customers	\$0.00	\$0.00	\$0.00	\$3.47	\$0.00	\$0.30
62	Per Line Recovery with no Cap	\$0.00	\$0.00	\$0.00	\$1.33	\$0.00	\$0.00
63	Adjusted Switched Access Revenue	\$84,911,626	\$1,007,296,476	\$39,300,664	\$153,929,405	\$357,226,019	\$1,642,664,190
64							
65	Cost Per ML Line for Ed & Health Care	\$6.89	\$5.32	\$5.24	\$3.98	\$5.45	\$5.26
66	Total Recovery Per ML Line	\$6.89	\$5.32	\$5.24	\$7.45	\$5.45	\$5.57
67	Total Recovery Per Line with no Cap	\$1.05	\$1.17	\$1.07	\$1.01	\$1.03	\$1.11
68							
69	Total Recovery Per Line with No Cap Incl. Ed. & Health Care	\$1.05	\$1.17	\$1.07	\$2.33	\$1.03	\$1.11
70							
71	Gross Revenue less Payments to Carriers	\$582,180,456	\$12,847,211,000	\$621,725,000	\$1,327,600,000	\$4,641,634,000	\$20,020,350,456
72	USF Allocator (Gross Rev. /\$176B)	0.33%	7.30%	0.35%	0.75%	2.64%	11.38%
73	USF Interstate Allocator (Gross Rev. less Payment)	0.080%	4.180%	0.100%	0.590%	1.490%	10.500%
74	USF Interstate Allocator (Retail Revenues)	0.040%	1.700%	0.050%	0.190%	0.520%	3.130%

1	Access Reform Scenarios -- Phase 2								
2	\$4B Interstate USF with & without \$1.20 Cap on SL NTS cost recovery	Ameritech	Bell Atlantic	BellSouth	NYNEX	PacTel	SBC	US West	BOCs
3	Revenue								
4	LS	\$394,276,915	\$426,465,960	\$467,482,365	\$711,986,957	\$302,253,085	\$275,683,659	\$396,392,634	\$2,974,543,575
5	CCL	\$189,209,916	\$339,530,481	\$686,414,764	\$363,494,100	\$180,429,563	\$262,976,975	\$270,471,147	\$2,292,526,946
6	TTC	\$321,494,047	\$362,551,430	\$272,434,772	\$616,065,902	\$128,906,735	\$227,907,987	\$465,394,203	\$2,394,755,076
7	IS	\$7,337,822	\$27,660,188	\$19,910,725	\$0	\$3,732,614	\$17,677,315	\$14,285,032	\$90,603,701
8	Sw Trans	\$116,481,117	\$124,977,992	\$169,790,758	\$118,372,022	\$93,058,037	\$84,352,189	\$125,821,569	\$832,853,704
9	Revenue Total	\$1,028,799,822	\$1,281,186,051	\$1,616,033,384	\$1,809,918,981	\$708,380,054	\$868,600,125	\$1,272,364,585	\$8,583,283,002
10									
11	Telephone Line Months								
12	Multi-line Months	63,542,571	73,564,140	62,385,728	53,776,443	62,675,520	45,065,028	44,061,444	405,070,874
13	Single Line Months	150,884,163	155,721,396	177,698,057	129,013,031	94,601,191	113,583,984	123,352,428	944,854,250
14	Life Line Months	1,757,527	306,684	2,641,621	10,947,399	27,137,359	1,961,208	2,816,460	47,568,258
15	SLCs Total	216,184,261	229,592,220	242,725,406	193,736,873	184,414,070	160,610,220	170,230,332	1,397,493,382
16	% of Residents w/ multiple lines	0.1313	0.1575	0.095	0.1549	0.2049	0.1587	0.1157	
17	Residential SLCs	142,032,952	149,880,455	171,032,795	122,043,666	91,052,803	109,905,295	118,725,612	904,673,578
18	- Base Factor Portion (BFP) - Cost per Line/Month	\$ 4.81	\$ 5.30	\$ 7.36	\$ 6.13	\$ 4.74	\$ 6.04	\$ 6.35	
19	- Additional Revenue from MultiLine Residence	\$ 24,430,094	\$ 42,491,109	\$ 62,717,726	\$ 49,719,003	\$ 23,134,332	\$ 44,302,605	\$ 41,896,488	\$28,497,356
20	- Additional Revenues from Multiline Business	\$ -	\$ -	\$ 84,844,590	\$ 6,990,938	\$ -	\$ 1,802,601	\$ 24,233,794	\$ 117,871,923
21									
22	Minutes of Use (MOUs)	44,753,536,880	61,581,083,846	61,878,991,467	51,489,150,878	32,743,054,972	35,576,035,521	48,397,990,583	336,419,844,149
23	Originating Minutes	17,312,633,115	32,765,947,336	25,157,892,403	22,374,127,511	12,071,111,503	13,739,125,302	16,643,408,953	140,064,246,123
24	Terminating Minutes	27,440,903,765	28,815,136,510	36,721,099,064	29,115,023,367	20,671,943,469	21,836,910,219	31,754,581,632	196,355,598,026
25	Price per MOU	\$0.0230	\$0.0208	\$0.0261	\$0.0352	\$0.0216	\$0.0244	\$0.0263	\$0.0255
26	New Price per Terminating MOU @ \$0.01 per MOU Average	\$0.0084	\$0.0076	\$0.0095	\$0.0128	\$0.0079	\$0.0089	\$0.0096	\$0.0093
27	New Price per Originating MOUs @ \$0.017 per MOU Average	\$0.0145	\$0.0131	\$0.0165	\$0.0221	\$0.0136	\$0.0154	\$0.0166	\$0.0161
28	New Switched Access Revenues	\$480,848,754	\$648,158,264	\$763,767,189	\$868,828,907	\$327,672,572	\$405,822,801	\$580,192,543	\$4,079,811,840
29									
30	Per Line Non-Traffic Sensitive (NTS) Costs								
31	CCL	\$0.7820	\$1.0239	\$2.5716	\$1.3792	\$0.5601	\$1.1341	\$1.2362	\$1.2835
32	TTC	\$1.4888	\$1.5791	\$1.1241	\$3.1821	\$0.6867	\$1.4210	\$2.7390	\$1.7160
33	30% of LS	\$0.5471	\$0.5572	\$0.5778	\$1.1025	\$0.4917	\$0.5149	\$0.6986	\$0.6385
34	Total NTS Costs Per Line	\$2.8179	\$3.1602	\$4.2735	\$5.6638	\$1.7385	\$3.0700	\$4.6738	\$3.6380
35									
36	Adjustments to NTS Costs								
37	CCL								
38	Payphone	\$0	\$46,300,000	\$0	\$46,000,000	\$28,280,486	\$39,083,549	\$18,159,867	\$177,823,902
39	LTS	\$55,712,267	\$58,160,967	\$62,211,411	\$50,297,994	\$47,574,101	\$41,744,613	\$43,649,373	\$359,350,728
40	CCL/payphone/LTS Total	\$55,712,267	\$104,460,967	\$62,211,411	\$96,297,994	\$75,854,587	\$80,828,162	\$61,809,242	\$537,174,630
41	- 50% of Pay/LTS to CCL and SLC	\$27,856,134	\$52,230,484	\$31,105,706	\$48,148,997	\$37,927,294	\$40,414,081	\$30,904,621	\$268,587,315
42	- Single Line SLC Reduction	\$0.18	\$0.34	\$0.18	\$0.37	\$0.40	\$0.36	\$0.25	\$0.28
43									
44	Adjusted Revenue Total	\$1,000,943,689	\$1,228,955,568	\$1,584,927,679	\$1,761,769,984	\$670,452,761	\$828,186,044	\$1,241,459,964	\$8,316,695,687
45									
46	USF High Cost & DEM (Current)	\$0	\$2,752,002	\$46,705,763	\$ 6,744,512	\$0	\$2,321,618	\$3,973,430	\$62,497,325
47									
48	USF High Cost Payments (\$4BxUSF Allocator)	\$150,000,000	\$189,600,000	\$210,400,000	\$204,800,000	\$109,600,000	\$128,000,000	\$153,200,000	\$1,149,200,000
49	USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$122,447,000	\$186,067,000	\$387,988,000	\$229,528,000	\$85,600,000	\$213,555,000	\$286,527,000	\$1,505,712,000
50	- Net cost of USF High Cost	\$27,553,000	\$9,533,000	(\$177,588,000)	(\$24,728,000)	\$24,000,000	(\$85,555,000)	(\$133,327,000)	(\$360,112,000)
51	USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$186,414,205	\$207,329,744	\$236,942,216	\$206,243,642	\$154,125,000	\$151,039,489	\$157,061,915	\$1,299,156,211
52	- Net cost of USF	\$213,967,205	\$216,862,744	\$59,354,216	\$181,515,642	\$178,125,000	\$65,484,489	\$23,734,915	\$939,044,217
53									
54	Switched Access Revenue @ \$0.01 per MOU Industry Avg.	\$480,848,754	\$648,158,264	\$763,767,189	\$868,828,907	\$327,672,572	\$405,822,801	\$580,192,543	\$4,079,811,840
55									
56	CCL Reduction from SLC/DEM/High Cost	\$ 24,430,094	\$ 39,739,107	\$ 100,856,553	\$ 49,965,429	\$ 23,134,332	\$ 43,783,588	\$ 62,156,852	\$344,065,954
57									
58	Residual NTS excl. Ed & Health Care	\$523,217,840	\$550,591,196	\$542,715,936	\$818,247,649	\$343,645,856	\$293,024,656	\$465,783,569	\$3,532,705,894
59	- NTS Recovery from SL w/\$1.20 Cap	\$181,060,996	\$186,865,675	\$213,237,668	\$154,815,637	\$113,521,429	\$136,300,781	\$148,022,914	\$1,133,825,100
60	NTS Cost Recovery from ML Customers	\$342,156,845	\$363,725,521	\$329,478,268	\$663,432,011	\$230,124,427	\$156,723,875	\$317,760,656	\$2,398,880,794
61	Per Line Recovery from ML Customers	\$5.38	\$4.94	\$5.28	\$12.34	\$3.67	\$3.48	\$7.21	\$5.92
62	Per Line Recovery with no Cap	\$2.44	\$2.40	\$2.26	\$4.48	\$2.18	\$1.85	\$2.78	\$2.62
63									
64	Cost Per ML Line for Ed & Health Care	\$2.93	\$2.82	\$3.80	\$3.84	\$2.46	\$3.35	\$3.56	\$3.21
65	Total Recovery Per ML Line	\$8.32	\$7.76	\$9.08	\$16.17	\$6.13	\$6.83	\$10.78	\$9.13
66	Total Recovery Per Line with no Cap	\$0.87	\$0.90	\$0.99	\$1.13	\$0.98	\$0.95	\$0.94	\$0.96
67									
68	Total Recovery Per Line with No Cap incl. Ed. & Health Care	\$3.31	\$3.31	\$3.25	\$5.60	\$3.16	\$2.80	\$3.72	\$3.58
69									
70									
71	Gross Revenue less Payments to Carriers	\$10,956,300,000	\$12,163,345,000	\$13,900,610,000	\$12,099,627,000	\$9,042,000,000	\$8,860,983,369	\$9,214,299,035	\$76,217,164,404
72	USF Allocator (Gross Rev./\$176B)	6.21%	6.91%	7.90%	6.87%	5.14%	5.03%	5.24%	43.31%
73	USF Interstate Allocator (Gross Rev. less Payment)	3.750%	4.740%	5.260%	5.120%	2.740%	3.200%	3.830%	28.73%
74	USF Interstate Allocator (Retail Revenues)	1.510%	1.860%	1.700%	1.460%	1.120%	1.170%	1.340%	13.49%

1 Access Reform Scenarios -- Phase 2							
2 \$4B Interstate USF with & without \$1.20 Cap on SL NTS cost recovery	Citizens	GTE	Rochester	SNET	Sprint/United	Independent Total	Total
3 Revenue							
4 LS	\$33,925,468	\$336,012,341	\$39,572,177	\$92,293,550	\$197,489,775	\$899,293,311	\$3,873,836,886
5 CCL	\$48,449,247	\$704,465,430	\$18,688,458	\$41,560,124	\$234,322,444	\$1,047,485,703	\$3,340,012,649
6 TIC	\$24,474,603	\$183,124,176	\$7,145,464	\$40,231,783	\$88,835,637	\$343,811,663	\$2,738,566,739
7 IS	\$1,427,957	\$21,816,296	\$515,615	\$3,648,130	\$1,826,510	\$29,234,508	\$119,838,209
8 Sw Trans	\$9,362,121	\$101,489,588	\$6,398,148	\$19,736,076	\$49,417,917	\$186,403,850	\$1,019,257,554
9 Revenue Total	\$117,639,396	\$1,546,907,831	\$72,319,862	\$197,469,663	\$571,892,283	\$2,506,229,035	\$11,091,512,037
10							
11 Telephone Line Months							
12 Multi-line Months	1,441,301	41,183,652	2,023,254	5,683,561	14,527,608	64,859,376	469,930,250
13 Single-line Months	8,029,739	146,626,104	7,914,602	16,784,705	62,558,220	241,913,370	1,186,767,620
14 Life Line Months	0	6,477,420	263,978	740,087	588,708	8,070,193	55,638,451
15 SLCs Total	9,471,040	194,287,176	10,201,834	23,208,353	77,674,536	314,842,939	1,712,336,321
16 - % of Residents w/ multiple lines	0.0949	0.1093	0.0949	0.1844	0.1094	0.2985	0.1094
17 Residential SLCs	7,628,252	140,036,806	6,162,388	16,155,129	58,361,328	\$228,343,903	1,133,017,481
18 - Base Factor Portion (BFP) - Cost per Line/Month	\$ 6.09	\$ 7.39	\$ 4.77	\$ 5.99	\$ 6.22	\$ 6.22	\$ 6.22
19 - Additional Revenue from MultiLine Rendence	\$ 1,874,956	\$ 59,540,429	\$ 742,709	\$ 7,417,724	\$ 17,366,464	\$ 86,942,282	\$ 375,633,638
20 - Additional Revenues from Multiline Business	\$ 129,717	\$ 57,245,276	\$ -	\$ -	\$ 3,196,074	\$ 60,571,067	\$ 178,442,990
21							
22 Minutes of Use (MOUs)	2,113,072,617	41,686,756,188	2,163,954,744	7,296,297,240	18,245,172,774	71,505,253,563	407,923,097,712
23 Originating Minutes	1,115,872,822	16,717,227,735	785,799,516	2,948,278,469	7,473,824,285	29,041,002,827	169,105,248,950
24 Terminating Minutes	997,199,795	24,969,528,453	1,378,155,228	4,348,018,771	10,771,348,489	42,464,250,736	238,818,848,762
25 Price per MOU	\$0.0557	\$0.0371	\$0.0334	\$0.0271	\$0.0313	\$0.0350	\$0.0272
26 New Price per Terminating MOU @ \$.01 per MOU Average	\$0.0203	\$0.0135	\$0.0122	\$0.0099	\$0.0114	\$0.0128	\$0.0099
27 New Price per Originating MOUs @ \$.017 per MOU Average	\$0.0351	\$0.0234	\$0.0211	\$0.0171	\$0.0197	\$0.0221	\$0.0171
28 New Switched Access Revenues	\$59,389,629	\$728,822,004	\$33,346,641	\$93,197,549	\$270,752,010	\$1,184,205,638	\$5,265,537,670
29							
30 Per Line Non-Traffic Sensitive (NTS) Costs							
31 CCL	\$4,8602	\$3,4081	\$1,5707	(\$0.0200)	\$2,4524	\$3,0742	\$1,5794
32 TIC	\$2,5842	\$0,9425	\$0,7004	\$1,7352	\$1,1437	\$1,0920	\$1,6012
33 30% of LS	\$1,0746	\$0,8277	\$1,1637	\$1,1930	\$0,7628	\$0,8569	\$0,6787
34 Total NTS Costs Per Line	\$8,5190	\$5,1783	\$3,4348	\$2,9082	\$4,3589	\$5,0231	\$3,8593
35							
36 Adjustments to NTS Costs							
37 CCL	\$0	\$0	\$0	\$0	\$0	\$0	\$177,823,002
38 Payphone	\$0	\$0	\$0	\$0	\$0	\$0	\$438,956,236
39 LTS	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$616,780,138
40 CCL/payphone/LTS Total	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$616,780,138
41 - 50% of Pay/LTS to CCL and SLC	\$1,204,093	\$24,559,102	\$1,326,570	\$2,863,647	\$9,849,344	\$39,802,754	\$308,390,069
42 - Single Line SLC Reduction	\$0.15	\$0.17	\$0.17	\$0.17	\$0.16	\$0.16	\$0.26
43							
44 Adjusted Revenue Total	\$116,435,304	\$1,522,348,730	\$70,993,293	\$194,606,016	\$562,042,940	\$2,466,426,281	\$10,783,121,968
45							
46 USF High Cost & DEM (Current)	\$54,526,995	\$128,105,452	\$4,520,081	\$0	\$50,977,617	\$238,130,145	\$300,627,470
47							
48 USF High Cost Payments (\$4BxUSF Allocator)	\$3,200,000	\$167,200,000	\$4,000,000	\$23,600,000	\$59,600,000	\$420,000,000	\$1,569,200,000
49 USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$87,246,000	\$693,572,000	\$39,470,000	\$27,048,000	\$294,832,000	\$1,142,168,000	\$2,447,880,000
50 - Net cost of USF High Cost	(\$84,046,000)	(\$526,372,000)	(\$35,470,000)	(\$3,448,000)	(\$235,232,000)	(\$884,568,000)	(\$1,244,680,000)
51 USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$9,923,531	\$218,986,551	\$10,597,585	\$22,629,545	\$79,118,761	\$341,255,974	\$1,640,412,185
52 - Net cost of USF	(\$74,122,470)	(\$307,385,449)	(\$24,872,415)	\$19,181,545	(\$156,113,239)	(\$543,312,026)	\$395,732,185
53							
54 Switched Access Revenue @ \$.01 per MOU Industry Avg.	\$59,389,629	\$728,822,004	\$33,346,641	\$93,197,549	\$270,752,010	\$1,184,205,638	\$5,265,537,670
55							
56 CCL Reduction from SLC/DEM/High Cost	\$ (\$2,522,322)	\$ (\$1,319,747)	\$ (\$3,777,372)	\$ 7,417,724	\$ (\$30,415,080)	\$ (\$90,616,796)	\$233,449,158
57							
58 Residual NTS excl. Ed & Health Care	\$25,521,997	\$278,474,473	\$5,954,023	\$90,542,743	\$86,474,009	\$488,269,439	\$4,019,455,140
59 - NTS Recovery from SL w/\$1.20 Cap	\$9,635,687	\$175,951,325	\$4,740,847	\$20,141,646	\$70,065,206	\$290,296,044	\$1,424,121,144
60 NTS Cost Recovery from ML Customers	\$15,886,310	\$102,523,148	\$1,213,176	\$70,401,097	\$16,408,803	\$197,973,395	\$2,595,333,996
61 Per Line Recovery from ML Customers	\$11.02	\$2.49	\$0.60	\$12.39	\$1.13	\$3.05	\$5.52
62 Per Line Recovery with no Cap	\$2.69	\$1.48	\$0.60	\$4.03	\$1.12	\$1.59	\$2.43
63							
64 Cost Per ML Line for Ed & Health Care	\$6.89	\$5.32	\$5.24	\$3.98	\$5.45	\$3.26	\$3.49
65 Total Recovery Per ML Line	\$17.91	\$7.81	\$5.84	\$16.37	\$6.58	\$8.31	\$9.01
66 Total Recovery Per Line with no Cap	\$1.05	\$1.17	\$1.07	\$1.01	\$1.03	\$1.11	\$0.99
67							
68 Total Recovery Per Line with No Cap incl. Ed. & Health Care	\$3.74	\$2.65	\$1.67	\$5.04	\$2.15	\$2.70	\$3.42
69							
70							
71 Gross Revenue less Payments to Carriers	\$582,180,456	\$12,847,211,000	\$621,725,000	\$1,327,600,000	\$4,641,634,000	\$20,020,350,456	\$96,237,514,860
72 USF Allocator (Gross Rev./\$176B)	0.33%	7.30%	0.35%	0.75%	2.64%	11.38%	54.68%
73 USF Interstate Allocator (Gross Rev. less Payment)	0.080%	4.180%	0.100%	0.590%	1.490%	10.500%	
74 USF Interstate Allocator (Retail Revenues)	0.040%	1.700%	0.050%	0.190%	0.520%	3.130%	

1	Access Reform Scenarios -- Phase 3								
2	\$4B Interstate USF without Cap on SL NTS cost recovery	Ameritech	Bell Atlantic	BellSouth	NYNEX	PacTel	SBC	US West	BOCs
3	Revenue								
4	LS	\$394,276,915	\$426,465,960	\$467,482,365	\$711,986,957	\$302,253,085	\$275,685,659	\$396,392,634	\$2,974,543,575
5	CCL	\$189,209,916	\$339,530,481	\$686,414,764	\$363,494,100	\$180,429,563	\$262,976,975	\$270,471,147	\$2,292,526,946
6	TIC	\$321,494,047	\$362,551,430	\$272,434,772	\$616,065,902	\$128,906,735	\$227,907,987	\$465,394,203	\$2,394,755,076
7	IS	\$7,337,827	\$27,660,188	\$19,910,725	\$0	\$3,732,614	\$17,677,315	\$14,285,032	\$90,603,701
8	Sw Trans	\$116,481,117	\$124,977,992	\$169,790,758	\$118,372,022	\$93,058,057	\$84,352,189	\$125,821,569	\$832,853,704
9	Revenue Total	\$1,028,799,822	\$1,281,186,051	\$1,616,033,384	\$1,809,918,981	\$708,380,054	\$868,600,125	\$1,272,364,585	\$8,585,283,002
10									
11	Telephone Line Months								
12	Multi-line Months	63,542,571	73,564,140	62,385,728	53,776,443	62,675,520	45,065,028	44,061,444	405,070,874
13	Single Line Months	150,884,163	155,721,396	177,698,057	129,013,031	94,601,191	113,583,984	123,352,428	944,854,250
14	Life Line Months	1,757,527	306,684	2,641,621	10,947,399	27,137,359	1,961,208	2,816,460	47,568,258
15	SLCs Total	216,184,261	229,592,220	242,725,406	193,736,873	184,414,070	160,610,220	170,230,332	1,397,493,382
16	% of Residents w/ multiple lines (PNR Assoc. ReQuest III Survey)	0.1313	0.1575	0.095	0.1549	0.2049	0.1587	0.1157	
17	Residential SLCs	142,032,952	149,880,455	171,032,795	122,043,666	91,052,803	109,905,295	118,725,612	904,673,578
18	Base Factor Portion (BFP) - Cost per Line/Month	\$ 4.81	\$ 5.30	\$ 7.36	\$ 6.13	\$ 4.74	\$ 6.04	\$ 6.55	
19	Additional Revenue from MultiLine Residence	\$ 24,430,094	\$ 42,491,109	\$ 62,717,726	\$ 49,719,003	\$ 23,134,332	\$ 44,302,605	\$ 41,896,488	\$28,691,356
20	Additional Revenues from Multiline Business	\$ -	\$ -	\$ 84,844,590	\$ 6,990,938	\$ -	\$ 1,802,601	\$ 24,233,794	\$ 117,871,923
21									
22	Minutes of Use (MOUs)	44,753,536,880	61,581,083,846	61,878,991,467	51,489,150,878	32,743,054,972	35,576,035,521	48,397,990,585	336,419,844,149
23	Originating Minutes	17,312,633,115	32,765,947,336	25,157,892,403	22,374,127,511	12,071,111,503	13,739,125,302	16,643,408,953	140,064,246,123
24	Terminating Minutes	27,440,903,765	28,815,136,510	36,721,099,064	29,115,023,367	20,671,943,469	21,836,910,219	31,754,581,632	196,355,598,026
25	Price per MOU	\$0.0230	\$0.0208	\$0.0261	\$0.0352	\$0.0216	\$0.0244	\$0.0263	\$0.0255
26	New Price for Terminating @\$0.01 per MOU Average	\$0.0084	\$0.0076	\$0.0095	\$0.0128	\$0.0079	\$0.0089	\$0.0096	\$0.0093
27	New Price Per Originating @\$0.01 per MOU Average	\$0.0084	\$0.0076	\$0.0095	\$0.0128	\$0.0079	\$0.0089	\$0.0096	\$0.0093
28	New Switched Access Revenues	\$375,301,237	\$467,370,522	\$589,521,222	\$660,249,757	\$258,413,643	\$316,861,156	\$464,152,493	\$3,131,870,030
29									
30	Per Line Non-Traffic Sensitive (NTS) Costs								
31	CCL	\$0.7820	\$1.0239	\$2.5716	\$1.3792	\$0.5601	\$1.1341	\$1.2362	\$1.2835
32	TIC	\$1.4888	\$1.5791	\$1.1241	\$3.1821	\$0.6867	\$1.4210	\$2.7390	\$1.7160
33	30% of LS	\$0.5471	\$0.5372	\$0.5778	\$1.1025	\$0.4917	\$0.5149	\$0.6986	\$0.6385
34	Total NTS Costs Per Line	\$2.8179	\$3.1602	\$4.2735	\$5.6638	\$1.7385	\$3.0700	\$4.6738	\$3.6380
35									
36	Adjustments to NTS Costs								
37	CCL								
38	Payphone	\$0	\$46,300,000	\$0	\$46,000,000	\$28,280,486	\$39,083,549	\$18,159,867	\$177,823,902
39	LTS	\$55,712,267	\$58,160,967	\$62,211,411	\$50,297,994	\$47,574,101	\$41,744,613	\$43,649,375	\$359,350,728
40	CCL/payphone/LTS Total	\$55,712,267	\$104,460,967	\$62,211,411	\$96,297,994	\$75,854,587	\$80,828,162	\$61,809,242	\$537,174,630
41	- 50% of Pay/LTS to CCL and SLC	\$27,856,134	\$52,230,484	\$31,105,706	\$48,148,997	\$37,927,294	\$40,414,081	\$30,904,621	\$268,587,315
42	- Single Line SLC Reduction	\$0.18	\$0.34	\$0.18	\$0.37	\$0.40	\$0.36	\$0.25	\$0.28
43									
44	Adjusted Revenue Total	\$1,000,943,689	\$1,228,955,568	\$1,584,927,679	\$1,761,769,984	\$670,452,761	\$828,186,044	\$1,241,459,964	\$8,316,695,687
45									
46	USF High Cost & DEM (Current)	\$0	\$2,752,002	\$46,705,763	\$ 6,744,512	\$0	\$2,321,618	\$3,973,430	\$62,497,325
47									
48	USF High Cost Payments (\$4BxUSF Allocator)	\$150,000,000	\$189,600,000	\$210,400,000	\$204,800,000	\$109,600,000	\$128,000,000	\$153,200,000	\$1,149,200,000
49	USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$122,447,000	\$180,067,000	\$387,988,000	\$229,528,000	\$85,600,000	\$213,555,000	\$286,527,000	\$1,505,712,000
50	- Net cost of USF High Cost	\$27,553,000	\$9,533,000	(\$177,588,000)	(\$24,728,000)	\$24,000,000	(\$85,555,000)	(\$133,327,000)	(\$360,112,000)
51	USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$186,414,205	\$207,329,744	\$236,942,216	\$206,243,642	\$154,125,000	\$151,039,489	\$157,061,915	\$1,299,156,211
52	- Net cost of USF	\$213,967,205	\$216,862,744	\$59,354,216	\$181,515,642	\$178,125,000	\$65,484,489	\$23,734,915	\$939,044,211
53									
54	Switched Access Revenue	\$375,301,237	\$467,370,522	\$589,521,222	\$660,249,757	\$258,413,643	\$316,861,156	\$464,152,493	\$3,131,870,030
55									
56	CCL Reduction from SLC/DEM/High Cost	\$ 24,430,094	\$ 39,739,107	\$ 100,856,553	\$ 49,965,429	\$ 23,134,332	\$ 43,783,588	\$ 62,156,852	\$344,065,954
57									
58	Residual NTS exclud. Ed & Health Care	\$628,765,358	\$731,378,939	\$716,961,904	\$1,026,826,799	\$412,904,785	\$381,986,300	\$581,823,619	\$4,480,647,703
59	Per Line Recovery with no Cap	\$2.93	\$3.19	\$2.99	\$5.62	\$2.63	\$2.41	\$3.48	\$3.32
60									
61	Cost Per Line for Ed & Health Care	\$0.87	\$0.90	\$0.99	\$1.13	\$0.98	\$0.95	\$0.94	\$0.96
62									
63	Total Recovery Per Line with No Cap Incl. Ed. & Health Care	\$3.80	\$4.09	\$3.97	\$6.75	\$3.61	\$3.36	\$4.41	\$4.28
64									
65									
66	Gross Revenue less Payments to Carriers	\$10,936,300,000	\$12,163,345,000	\$13,900,610,000	\$12,099,617,000	\$9,042,000,000	\$8,860,983,369	\$9,214,299,035	\$76,217,164,404
67	USF Allocator (Gross Rev./\$176B)	6.21%	6.91%	7.90%	6.87%	5.14%	5.03%	5.24%	43.31%
68	USF Interstate Allocator (Gross Rev. less Payment)	3.750%	4.740%	5.260%	5.120%	2.740%	3.200%	3.830%	28.73%
69	USF Interstate Allocator (Retail Revenues)	1.510%	1.860%	1.700%	1.460%	1.120%	1.170%	1.340%	13.49%

1 Access Reform Scenarios -- Phase 3							
2 \$4B Interstate USF without Cap on SL NTS cost recovery	Citizens	GTE	Rochester	SNET	Sprint/United	Independent Total	Total
3 Revenue							
4 LS	\$33,925,468	\$536,012,341	\$39,572,177	\$92,293,550	\$197,489,775	\$899,293,311	\$3,873,836,886
5 CCL	\$48,449,247	\$704,465,430	\$18,688,458	\$41,560,124	\$234,322,444	\$1,047,485,703	\$3,340,012,649
6 TIC	\$24,474,603	\$183,124,176	\$7,145,464	\$40,231,783	\$88,835,637	\$343,811,663	\$2,738,566,739
7 IS	\$1,427,957	\$21,816,296	\$515,615	\$3,648,130	\$1,826,510	\$29,234,508	\$119,838,209
8 Sw Trans	\$9,362,121	\$101,489,588	\$6,398,148	\$19,736,076	\$49,417,917	\$186,403,850	\$1,019,257,554
9 Revenue Total	\$117,639,396	\$1,546,907,831	\$72,319,862	\$197,469,663	\$571,892,283	\$2,506,229,035	\$11,091,512,037
10							
11 Telephone Line Months							
12 Multi-line Months	1,441,301	41,183,652	2,023,254	5,683,561	14,527,608	64,859,376	469,930,250
13 Single Line Months	8,029,739	146,626,104	7,914,602	16,784,705	62,558,220	241,913,370	1,186,767,620
14 Life Line Months	0	6,477,420	263,978	740,087	588,708	8,070,193	55,638,451
15 SLCs Total	9,471,040	194,287,176	10,201,834	23,208,353	77,674,536	314,842,939	1,712,336,321
16 - % of Residents w/ multiple lines (PNR Assoc. ReQuest II Survey)	0.0949	0.1093	0.0949	0.1844	0.1094	0.1094	0.1094
17 Residential SLCs	7,628,252	140,036,806	6,162,388	16,155,129	58,361,328	\$228,343,903	1,133,017,481
18 - Base Factor Portion (BFP) - Cost per Line/Month	\$ 6.09	\$ 7.39	\$ 4.77	\$ 5.99	\$ 6.22	\$ 6.22	\$ 6.22
19 - Additional Revenue from MultiLine Residence	\$ 1,874,956	\$ 59,540,429	\$ 742,709	\$ 7,417,724	\$ 17,366,464	\$ 86,942,282	\$ 375,633,638
20 - Additional Revenues from Multiline Business	\$ 129,717	\$ 57,245,276	\$ -	\$ -	\$ 3,196,074	\$ 60,571,067	\$ 178,442,990
21							
22 Minutes of Use (MOUs)	2,113,072,617	41,686,756,188	2,163,954,744	7,296,297,240	18,245,172,774	71,305,253,563	407,925,097,712
23 Originating Minutes	1,115,872,822	16,717,227,735	785,799,516	2,948,278,469	7,473,824,225	29,041,002,827	169,105,248,930
24 Terminating Minutes	997,199,795	24,969,528,453	1,378,155,228	4,348,018,771	10,771,348,489	42,464,250,736	238,819,848,782
25 Price per MOU	\$0.0557	\$0.0371	\$0.0334	\$0.0271	\$0.0313	\$0.0350	\$0.0272
26 New Price for Terminating @ \$.01 per MOU Average	\$0.0203	\$0.0135	\$0.0122	\$0.0099	\$0.0114	\$0.0128	\$0.0099
27 New Price Per Originating @ \$.01 per MOU Average	\$0.0203	\$0.0135	\$0.0122	\$0.0099	\$0.0114	\$0.0128	\$0.0099
28 New Switched Access Revenues	\$42,914,287	\$564,304,552	\$26,381,939	\$72,035,985	\$208,623,560	\$914,260,322	\$4,046,130,352
29							
30 Per Line Non-Traffic Sensitive (NTS) Costs							
31 CCL	\$4,8602	\$3,4081	\$1,5707	(\$0,0200)	\$2,4524	\$3,0742	\$1,5794
32 TIC	\$2,5842	\$0,9425	\$0,7004	\$1,7352	\$1,1437	\$1,0920	\$1,6012
33 30% of LS	\$1,0746	\$0,8277	\$1,1637	\$1,1930	\$0,7628	\$0,8569	\$0,6787
34 Total NTS Costs Per Line	\$8,5190	\$5,1783	\$3,4348	\$2,9082	\$4,3589	\$5,0231	\$3,8593
35							
36 Adjustments to NTS Costs							
37 CCL							
38 Payphone	\$0	\$0	\$0	\$0	\$0	\$0	\$177,823,902
39 LTS	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$438,956,236
40 CCL/payphone/LTS Total	\$2,408,185	\$49,118,203	\$2,653,139	\$5,727,294	\$19,698,687	\$79,605,508	\$438,956,236
41 - 50% of Pay/LTS to CCL and SLC	\$1,204,093	\$24,559,102	\$1,326,570	\$2,863,647	\$9,849,344	\$39,802,754	\$308,390,069
42 - Single Line SLC Reduction	\$0.15	\$0.17	\$0.17	\$0.17	\$0.16	\$0.16	\$0.26
43							
44 Adjusted Revenue Total	\$116,435,304	\$1,522,348,730	\$70,993,293	\$194,606,016	\$562,042,940	\$2,466,426,281	\$10,783,121,968
45							
46 USF High Cost & DEM (Current)	\$54,526,995	\$128,105,452	\$4,520,081	\$0	\$50,977,617	\$238,130,145	\$300,627,470
47							
48 USF High Cost Payments (\$4BxUSF Allocator)	\$3,200,000	\$167,200,000	\$4,000,000	\$23,600,000	\$59,600,000	\$420,000,000	\$1,569,200,000
49 USF High Cost Receipts (100% used to Reduce Interstate Rates)	\$87,246,000	\$693,572,000	\$39,470,000	\$27,048,000	\$294,832,000	\$1,142,168,000	\$2,647,880,000
50 - Net cost of USF High Cost	(\$84,046,000)	(\$526,372,000)	(\$35,470,000)	(\$3,448,000)	(\$235,232,000)	(\$884,568,000)	(\$1,244,680,000)
51 USF Ed & Health Care Cost (\$3BxUSF Allocator, Gross Rev)	\$9,923,531	\$218,986,551	\$10,597,585	\$22,629,545	\$79,118,761	\$341,255,974	\$1,640,412,185
52 - Net cost of USF	(\$74,122,470)	(\$307,385,449)	(\$24,872,415)	\$19,181,545	(\$156,113,239)	(\$543,312,026)	\$395,732,185
53							
54 Switched Access Revenue	\$42,914,287	\$564,304,552	\$26,381,939	\$72,035,985	\$208,623,560	\$914,260,322	\$4,046,130,352
55							
56 CCL Reduction from SLC/DEM/High Cost	\$ (52,522,322)	\$ (11,319,747)	\$ (3,777,372)	\$ 7,417,724	\$ (30,415,080)	(\$90,616,796)	\$233,449,158
57							
58 Residual NTS exclud. Ed & Health Care	\$41,997,339	\$442,991,925	\$12,918,725	\$111,704,306	\$148,602,459	\$758,214,754	\$5,238,862,458
59 Per Line Recovery with no Cap	\$4.43	\$2.36	\$1.30	\$4.97	\$1.93	\$2.47	\$3.16
60							
61 Cost Per Line for Ed & Health Care	\$1.05	\$1.17	\$1.07	\$1.01	\$1.03	\$1.11	\$0.99
62							
63 Total Recovery Per Line with No Cap incl. Ed. & Health Care	\$5.48	\$3.52	\$2.37	\$5.98	\$2.95	\$3.58	\$4.15
64							
65							
66 Gross Revenue less Payments to Carriers	\$582,180,456	\$12,847,211,000	\$621,723,000	\$1,327,600,000	\$4,641,634,000	\$20,020,350,456	\$96,237,514,860
67 USF Allocator (Gross Rev./\$176B)	0.33%	7.30%	0.35%	0.75%	2.64%	11.38%	54.68%
68 USF Interstate Allocator (Gross Rev. less Payment)	0.080%	4.180%	0.100%	0.590%	1.490%	10.500%	
69 USF Interstate Allocator (Retail Revenues)	0.040%	1.700%	0.050%	0.190%	0.520%	3.130%	